

CITY OF BELLEVUE
CITY COUNCIL

Summary Minutes of Regular Session

December 9, 2002
8:00 p.m.

Council Chambers
Bellevue, Washington

PRESENT: Mayor Marshall, Deputy Mayor Degginger, and Councilmembers Creighton, Davidson, Lee, Mosher, and Noble

ABSENT: None.

1. Call to Order

The meeting was called to order at 8:02 p.m. by Mayor Marshall, who presided.

2. Roll Call, Flag Salute

Upon roll call by the City Clerk, all Councilmembers were present. Cub Scout Den 12, Cougar Ridge Elementary School, led the flag salute.

(a) Recognition of Crime Analysis Unit Volunteers

Police Chief Jim Montgomery introduced Detective Frank Nunnelee and Volunteer Coordinator Marji Trachtman and briefly described the work of Police Department volunteers, who contribute approximately 12,000 hours per year for the City. Chief Montgomery said King County assigns a risk level of I to all sex offenders released into the community. It is then up to each local government to investigate and assign an appropriate risk level for the offenders. Detective Nunnelee recognized the need to verify the addresses of known offenders and conduct research to determine the appropriate risk levels of offenders living in Bellevue.

Chief Montgomery commended the two volunteers, Teri and Bob, who spent 10 months compiling this critical information. It is believed that Bellevue is the only municipality in the state with the most current and accurate information on Registered Sex Offenders living in the community. Teri has an extensive background in computers and has written databases and programs as a volunteer for the Crime Analysis Unit. Bob is a retired Boeing engineer, a retired Commander in the U.S. Naval Reserve, and a substitute teacher. He was born in Belgium, survived the Rivesaltes Concentration Camp, and eventually immigrated to the United States.

Chief Montgomery thanked Elizabeth Hlavacka, Police Records Specialist, for her assistance with Spanish interpretation. He thanked Detective Nunnelee and Ms. Trachtman for their work with the volunteers.

Mayor Marshall thanked everyone for their efforts and for bringing it to Council's attention.

3. Communications: Written and Oral

Renay Bennett spoke on behalf of the Bellevue Charter Now Committee, which is advocating for the election of City Councilmembers from and by neighborhood districts and citizen election of the mayor. A petition to place the issue of becoming a Charter City to a public vote was certified last week. She looks forward to the election to be held next year and encouraged community support.

4. Reports of Community Councils, Boards and Commissions

Steve Szablya, Vice Chair of the Environmental Services Commission, said Seattle Public Utilities has notified the Commission regarding the serious situation with water levels. He noted the Commission's letter to Council, which suggests that residents with new lawns installed before January 1, 2003, be allowed to continue watering as needed, even if a watering ban is imposed. However, it suggests that residents should not be allowed to water lawns installed after January 1 if a full ban on watering is adopted.

5. Report of the City Manager

City Manager Steve Sarkozy described a letter from a citizen requesting that the City initiate a Land Use Code amendment to lower maximum building heights in downtown's Ashwood District. Planning and Community Development Director Matt Terry noted the memo to Council on page 5-1 of the Council packet. Staff has reviewed the request and recommends against a code change. He explained that the City has carefully studied and evaluated appropriate building heights throughout the downtown for the past 20 years.

Mr. Sarkozy said the King County Elections Office has completed validation of the required number of signatures on the petition submitted by the Bellevue Charter Now Committee. Under state law, the City must provide a special election on the issue within 180 days since no regular election is scheduled.

Mr. Sarkozy said today King County approved the transfer of Eastgate Park to the City of Bellevue. In January, Council will discuss plans to annex the area.

6. Council Business

Dr. Davidson attended meetings of the Environmental Services Commission and the Shared Salmon Strategies group. He suggested Council address the issue of lawn watering in one of its January meetings.

Mr. Creighton attended a reception for public officials in Seattle. Mr. Noble attended the King County Regional Policy Committee meeting.

Mr. Mosher attended the National League of Cities conference and provided a presentation prepared by Robin Haaseth, Parks Program Coordinator, regarding Bellevue's after-school programs. Mr. Mosher announced he was recently selected to serve on the Sound Transit performance audit committee.

Mr. Lee attended the National League of Cities conference.

Deputy Mayor Degginger attended the Seattle King County Economic Development Council Board Retreat last week and the 50Fest Steering Committee meeting. He attended a performance of "A Christmas Carol" at Ivanhoe Performing Arts Theatre.

Mayor Marshall announced that Bellevue is one of 17 cities and counties in the United States receiving a Certificate of Distinction from the International City and County Managers Association for the use of performance information in local government management. To qualify for this recognition, communities are required to use performance data in budgets, newsletters, management reports, and information provided to City Council. City Manager Steve Sarkozy will serve as a member of the ICMA Center for Performance Measurement Steering Committee.

Mrs. Marshall described the work of the Bellevue 50Fest Committee to plan events for the City's 50th birthday next year. Councilmember Lee has volunteered to serve as marketing co-chair for the committee.

- Deputy Mayor Degginger moved to approve, and Mr. Lee seconded the motion, the 50Fest Committee appointments recommended by Mayor Marshall and to authorize the City Manager to fill vacancies on the committee as they occur:

50Fest Committee Co-Chairs – Anne Taylor and John Valaas
Honorary Co-Chairs/Fundraising – Connie Marshall and Kemper Freeman, Jr.

50Fest Committee:

Margot Blacker, Former City Councilmember
Craig Chang, Factoria Mall
Diane Cooley, Citizen volunteer
Grant Degginger, Deputy Mayor
Brenda Frost, Washington Mutual Bank
Faisal Jaswal, Bellevue Community College
Karen Klett, Eastside Heritage Center
Conrad Lee, City Council
Lee Maxwell, Eastside Heritage Center
Ann Oxreider, Bellevue Public Schools
Matt Scher, Merrill Lynch

Lynn Terpstra, Crossroads Shopping Center
Iris Tocher, Neighborhood Leader/Former City Councilmember
Kristin Webb, Citizen volunteer

- ➡ The motion approving appointments to the Bellevue 50Fest Committee carried by a vote of 7-0.

7. Approval of the Agenda

- ➡ Deputy Mayor Degginger moved to approve the agenda, and Mr. Noble seconded the motion.

- ➡ The motion to approve the agenda carried by a vote of 7-0.

8. Consent Calendar

- ➡ Mr. Mosher moved to approve the Consent Calendar, and Dr. Davidson seconded the motion.

- ➡ The motion to approve the Consent Calendar carried by a vote of 7-0, and the following items were approved:

- (a) Minutes of November 18, 2002, Study Session
- (b) Resolution No. 6794 authorizing the execution of a contract with Premier Properties, LLC, for rental management and operation of the Robinswood House.
- (c) Motion to award Bid No. 0258 for construction of two signalized pedestrian crossings along 148th Avenue NE in the amount of \$208,325.95 to Signal Electric, Inc., as low bidder. (CIP Plan No. PW-I-84)
- (d) Resolution No. 6795 setting January 6, 2003, as the date for a public hearing to consider the vacation of a portion of SE 28th Street and 145th Avenue SE.
- (e) Motion to award Bid No. 0250 for small diameter asbestos/cement water main replacement in the amount of \$655,559.60 to Emerald Services, Inc., as low bidder. (CIP Plan No. W-16)
- (f) Resolution No. 6796 authorizing the execution of a contract with Puget Sound Energy (PSE) as the vendor of choice for lockbox payment processing services in the amount of \$67,000.

9. Public Hearings: None.

10. Land Use

- (a) Ordinance No. 5418 approving the application of the City of Bellevue for rezone of 100 acres in the I-90 Business Park, known as the Boeing Rezone, from Light Industrial (LI) to Office Limited Business (OLB) and Office Limited Business – Open Space (OLB-OS). File No. 02-138873-LQ. *(Council reviewed this rezone application at the November 18 Study Session.)*

Mr. Terry noted this item was most recently reviewed with Council during the November 18 Study Session.

- ➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5418, and Mr. Noble seconded the motion.
- ➡ The motion to adopt Ordinance No. 5418 carried by a vote of 7-0.

11. Other Ordinances, Resolutions and Motions

- (a) Ordinance No. 5419 amending the school impact fee rate for development within Issaquah School District No. 411 and amending Section 22.18.100 of the Bellevue City Code.

Mr. Terry said the Issaquah School District's proposed 2003 impact fees reflect a decrease of \$262 for a single-family unit and a decrease of \$74 for a multifamily unit.

Responding to Dr. Davidson, Mr. Terry said Issaquah School District has acquired a site just south of the Bellevue city limits in the Newcastle area for future elementary and middle school use. Deputy Mayor Degginger said improvements to Sunset Elementary School, which serves Bellevue students, have recently been completed.

- ➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5419, and Mr. Noble seconded the motion.

Dr. Davidson will not support the motion. He is opposed to school impact fees because they inflate housing costs.

- ➡ The motion to adopt Ordinance No. 5419 carried by a vote of 6-1, with Dr. Davidson dissenting.

Acquisition of the Qwest Building for Public Safety Center

- (b) Resolution No. 6797 directing the City Manager to notify Qwest that the feasibility condition has been satisfied and that the City has elected to proceed with the purchase of the property at 450 110th Avenue NE.

Mr. Sarkozy noted that Resolution No. 6797 directs the City Manager to proceed with the purchase of property at 450 110th Avenue NE.

Mr. Terry recalled previous discussions with Council about the building acquisition. He said staff's review indicates the Qwest Building works exceptionally well for Public Safety programs and services. Recommended modifications and improvements to the building are summarized in the Council packet. Environmental assessments of the property identified minor trace evidence of some contamination around the fuel storage tanks, but these were well below levels regulated by state or federal laws. Mr. Terry said staff recommends Council approve the purchase and waive the remainder of the feasibility contingency period (which will end on December 16, 2002).

- ➡ Mr. Mosher moved to approve Resolution No. 6797, and Dr. Davidson seconded the motion.

Mr. Lee supports the motion as part of the long-term vision for the City. He feels the purchase is a sound business decision at this time.

- ➡ The motion to approve Resolution No. 6797 carried by a vote of 7-0.

- (c) Ordinance No. 5420 authorizing issuance and sale of a limited tax general obligation bond anticipation note of the City in the principal amount not to exceed \$29,100,000.

Mr. Sarkozy said Ordinance No. 5420 authorizes the issuance and sale of a limited tax general obligation bond anticipation note (BAN) in a principal amount not to exceed \$29,100,000 for the purpose of financing the acquisition of the Qwest Building.

Interim Finance Director Brad Miyake said the term of the BAN is for a period not to exceed two years with a favorable interest rate of 1.87 percent.

- ➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5420, and Mr. Mosher seconded the motion.
- ➡ The motion to adopt Ordinance No. 5420 carried by a vote of 7-0.

2003-2004 Operating Budget and 2003-2009 Capital Investment Program (CIP) Plan

- (d) Ordinance No. 5421 establishing revised charges for water service, water consumption, and water service for fire protection, repealing Ordinance No. 5339.

Mr. Sarkozy said water service rates will increase by 10 percent in 2003 and 6.5 percent in 2004. These increases have been discussed with Council on numerous occasions and are attributable primarily to increased costs for water supply and transmission from the City of Seattle

Dr. Davidson noted this is the second time in three years the region is experiencing a shortage of water. He feels there should be enough capacity in the system to withstand annual fluctuations in rainfall. He noted the City of Seattle is not investing in the creation of new water supplies.

Mr. Creighton expressed his frustration with utility rate increases but offered his reluctant support for the motion.

Mr. Degginger noted the efforts of Cascade Water Alliance to provide leadership for local governments in developing an alternative water supply.

- ➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5421, and Mr. Lee seconded the motion.

Mr. Lee expressed support for Cascade Water Alliance's leadership and policy guidance.

- ➡ The motion to adopt Ordinance No. 5421 carried by a vote of 7-0.
 - (e) Ordinance No. 5422 establishing revised sewerage service charges, repealing Ordinance No. 5340.

Mr. Sarkozy said sewerage service charges will increase by 3.8 percent in 2003. No rate increase is projected for 2004.

- ➡ Dr. Davidson moved to adopt Ordinance No. 5422, and Mr. Mosher seconded the motion.
- ➡ The motion to adopt Ordinance No. 5422 carried by a vote of 7-0.
 - (f) Ordinance No. 5423 establishing revised storm and surface water drainage rates and charges, repealing Ordinance No. 5261.

Mr. Sarkozy noted that an aggressive work plan in some of the recently incorporated areas warrants a rate increase of 7.1 percent in 2003 and an increase of 4.4 percent in 2004.

Dr. Davidson reiterated his ongoing concern that overall utility rate increases are higher than inflation rates. However, he understands the need to implement storm and surface water drainage improvements in areas recently annexed to the City.

- ➡ Dr. Davidson moved to adopt Ordinance No. 5423, and Mr. Mosher seconded the motion.
- ➡ The motion to adopt Ordinance No. 5423 carried by a vote of 7-0.
 - (g) Ordinance No. 5424 adopting the 2003-2004 Human Services recommendations and authorizing the City Manager to enter into contracts for services.

Mr. Sarkozy recalled that the package of Human Services funding recommendations was discussed with Council during the November 4 Study Session.

Mr. Lee encouraged a paradigm shift in human services funding to establish reliable and predictable funding sources into the future.

- ➡ Mr. Lee moved to adopt Ordinance No. 5424, and Mr. Noble seconded the motion.

Mayor Marshall described an email from a citizen regarding the Bellevue School District Human Services Specialist Project. The citizen supports the project but requested that Council ask the District to prioritize schools based on the highest need.

- ➡ The motion to adopt Ordinance No. 5424 carried by a vote of 7-0.

- (h) Ordinance No. 5425 establishing the amount of property taxes to be levied for the year 2003, the first year of the 2003-2004 fiscal biennium.

Mr. Sarkozy noted the revised Agenda Memo in Council's desk packet based on new information available today from the County Assessor's Office. Mr. Miyake explained that there is no increase in the regular levy other than the normal annual adjustments for new construction, annexations, and refunds. The increase in the voted levy is due to slightly higher debt service payments and lower interest rate earnings on the City's debt reserves.

- ➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5425, as amended in Council's desk packet, and Mr. Mosher seconded the motion.

- ➡ The motion to adopt Ordinance No. 5425, as amended, carried by a vote of 7-0.

- (i) Ordinance No. 5426 adopting the operating budget for the period 2003-2004 and the 2003-2009 Capital Investment Program (CIP) Plan.

Mr. Sarkozy explained that Council began reviewing the budget with staff this past spring. It has been a difficult budget in terms of decreasing revenues due to the slowed economy.

Dr. Davidson expressed support for the budget. While he understands the appropriateness of using current excess reserves to balance the budget, he hopes reserves will not be needed to balance future budgets.

Mr. Lee expressed concern that compensation represents a large percentage of the operating budget but offered his support for the budget.

Mr. Mosher praised the City Manager and staff for involving Council in policy decisions early in the budget process. He thanked staff for an outstanding effort.

Deputy Mayor Degginger concurred with Mr. Mosher. He noted Council's ongoing interest in performance measurement and accountability in public spending.

- ➡ Deputy Mayor Degginger moved to adopt Ordinance No. 5426, and Mr. Mosher seconded the motion.

Mayor Marshall thanked Mr. Sarkozy for accommodating Council's intense involvement in the budget process. She thanked staff for their hard work on the budget throughout the year. Mrs.

Marshall is pleased with how well the budget reflects Council's direction and priorities.

- ➡ The motion to adopt Ordinance No. 5426 carried by a vote of 7-0.

Mr. Sarkozy thanked staff for a tremendous job in responding to Council's concerns as well as to the downturn in the economy. He summarized the following highlights:

- Reduction of \$3.4 million from the General Fund to balance the budget for 2003.
- Reduction of \$1.7 million in the Development Services area.
- Reduction of approximately 20 staff positions.
- Identification of funding sources for Medic 14 and Coal Creek Utility District assumption, despite budget constraints.
- Reduction of \$40 million from the 2003-2009 Capital Investment Program (CIP) Plan.

Cascade Water Alliance

- (j) Resolution No. 6798 authorizing and directing the City Manager to execute the Amended and Restated Cascade Water Alliance Interlocal Contract.

Utilities Director Lloyd Warren said Resolution No. 6798 represents one of the most significant actions by Council in recent years and the culmination of a 17-year journey to develop an alternative arrangement for the City's long-term water supply.

- ➡ Deputy Mayor Degginger moved to approve Resolution No. 6798, and Mr. Mosher seconded the motion.

Mr. Mosher expressed support for Cascade Water Alliance's vision, which will provide its members with control over the development of a water supply and the proactive management of water rates.

Deputy Mayor Degginger commended the involvement of Dr. Davidson and Mr. Mosher in water issues for the past 20 years. Mr. Degginger looks forward to the ongoing implementation of the Interlocal Contract with Cascade.

Dr. Davidson expressed his support for ongoing regional planning and cooperation through the Cascade Water Alliance.

Mr. Noble expressed concern about the short-term cost of implementing the Interlocal Contract. However, a long-term analysis indicates the costs will eventually decrease. Mr. Noble will support the motion.

Mr. Creighton is concerned with the costs as well but supports the need to address the issue of the region's long-term water supply.

- ➡ The motion to approve Resolution No. 6798 carried by a vote of 7-0.

- (k) Ordinance No. 5427 revising Sections 24.02.050 and 24.02.260 of the Bellevue City Code to recognize the ability to collect connection charges for regional facilities.

Mr. Warren said Ordinance No. 5427 clarifies the City's ability within the Utility Code to collect connection charges for regional utility facilities.

☛ Deputy Mayor Degginger moved to adopt Ordinance No. 5427, and Mr. Mosher seconded the motion.

☛ The motion to adopt Ordinance No. 5427 carried by a vote of 7-0.

12. Unfinished Business: None.

13. Continued Oral Communications: None.

14. New business: None.

15. Executive Session: None.

16. Adjournment

At 9:40 p.m., Mayor Marshall declared the meeting adjourned.

Myrna L. Basich
City Clerk

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